

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Handlooms & Textiles- The guidelines for **Loan Waiver to Primary Handloom Weavers Coop. Societies pertaining to APCOB and NCDC** and Re-appropriation of an amount of Rs.40.00 crores from the balance funds of Rs.42.38 crores available Budget under Head of Account 2851-103-11-11-310-312, Assistance for Livelihood Enhancement of Weavers - to the Head of Account 2851-103-11-12-310-312, Assistance towards loan waiver to weavers -Orders-Issued.

INDUSTRIES AND COMMERCE (Prog.II) DEPARTMENT

G.O.MS.No. 34

Dated: 08-02-2019
Read the following:

1. From the DH&T, Yerrabalem, e-file bearing No.COHT-13021/1/2018-C-COHT.
2. Govt., Memo No.15027/2/Prog-II/A1/2018, Dt: 18.12.2018.
3. From the DH&T, Mangalagiri, Rc.No.3768/18-C, Dt: 20.12.2018.

ORDER

In the reference 1st read above, the Director of Handlooms & Textiles has informed that an amount of Rs.74.47 crores required for implementing the Hon'ble Chief Minister's assurance for waiver off all outstanding Cash Credit and NCDC Loans pertaining to the working Primary Handloom Weavers Cooperative Societies (Cotton, Silk and Wool) availed from APCOB / DCCBs/ NABARD and NCDC. He has also furnished draft guidelines in this regard.

2. The Director of Handlooms & Textiles, has furnished the details of outstanding Cash Credit loans to the working Primary Handloom Weavers Cooperative Societies (Cotton, Silk and Wool) availed from APCOB / DCCBs/ NABARD as stated hereunder:

(Rs. In crores)

Particulars	No. of societies	Outstanding loan		
		Principal	Interest	Total
Cash Credit Loans	276	44.26	4.26	48.52
NCDC Loans	19	19.77	6.18	25.95
TOTAL	295	64.03	10.44	74.47

3. In the reference 3rd read above the Director of Handlooms & Textiles, has informed that the NCDC loan assistance for the PHWCs, which are not eligible for direct funding or otherwise would continue to be considered through State Government Guarantee. Hence the NCDC loans which were given to PHWCSs in the state based on the guarantee given by the State Government and the Government have repaid the loan installment to the NDDC from time to time. Hence, an amount of Rs.25.95 crores outstanding under NCDC have already been paid by the Government of Andhra Pradesh as a guarantor to the NCDC, New Delhi on behalf of concerned PHWCSs in the State. Now the waiver for an amount of Rs. 25.95 crores pertaining to NCDC loans is only paper/book adjustment pertaining to the PHWCSs to adjust the same against NCDC dues in their books of accounts. Hence, the remaining funds required for waiver of Cash Credit loans to the working Primary Handloom Weavers Cooperative Societies (Cotton, Silk and Wool) availed from APCOB/DCCBs/NABARD, is Rs.48.52 crores only.

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4. The Director of Handlooms & Textiles, has therefore, requested the Government to consider the Re-appropriation proposal by reducing an amount of Rs.40.00 crores from the balance funds of Rs.42.38 crores available under Head of Account 2851-103-11-11-310-312, Assistance for Livelihood Enhancement of Weavers - to the Head of Account 2851-103-11-12-310-312, Assistance towards loan waiver to weavers to implement Hon'ble Chief Minister's Assurance, as the scheme was agreed in principal. Further, the balance funds required under the scheme will be accommodated later from other sources/savings from other heads of accounts in the near future.

5. Government after careful examination of the matter hereby order for **Loan Waiver to Primary Handloom Weavers Cooperative Societies pertaining to APCOB and NCDC** duly Re-appropriation by reducing an amount of Rs.40.00 crores(Rupees Forty Crores only) from the balance funds of Rs.42.38 crores available under Head of Account 2851-103-11-11-310-312, Assistance for Livelihood Enhancement of Weavers - to the Head of Account 2851-103-11-12-310-312, Assistance towards loan waiver.

6. The guidelines for the **Loan Waiver to Primary Handloom Weavers Cooperative Societies pertaining to APCOB and NCDC** are annexed to this order.

7. The Director of Handlooms and Textiles shall take necessary action accordingly.

8. This order issued with the concurrence of the Finance (FMU, I&C) Dept., vide their U.O.No.58030/27/FMU.I&C/2018, dt.29-01-2019. Computer No.62237.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**I.SRINIVAS SRINARESH
SECRETARY TO GOVERNMENT**

To
The Director of Handlooms & Textiles,
Mangalagiri, Guntur District
All District Collectors in the State.
The Accountant General, A.P., Hyderabad.
All Assistant Directors of H&T in the State.
The D.T.A Ibrahimpatnam
The Finance (FMU-REV, I&C) Dept.,
All District Treasury Officers
P.S to Hon'ble C.M
P.S to Minister for Handlooms& Textiles
P.S to Secretary to Government (Handlooms &Textiles)
Sf/sc

//FORWARDED :: BY ORDER//

SECTION OFFICER

Annexure

**G.O.Ms.No.34, Industries & Commerce (Prog.II) Department,
dt:08 -02-2019**

**Guidelines to "loan waiver to primary weavers coop. societies in the state
in the lines of individual weaver loan waiver pertaining to cash credit and
NCDC loans"**

The Hon'ble Chief Minister of Andhra Pradesh announced Package for the Welfare of Handloom Weavers in the State on the Eve of National Handloom Day-2018 at Chirala, Prakasam District on 07.08.2018. The "Loan Waiver to Primary Weavers Cooperative Societies in the State in the lines of individual weaver loan waiver pertaining to Cash Credit availed from APCOB and NCDC Loans" with financial implication Rs.74.48 Crores, is one among the Hon'ble Chief Minister's Assurances under the said package.

To implement the Hon'ble Chief Minister's Assurance, the Government have decided to waive off all outstanding Cash Credit and NCDC Loans pertaining to the working Primary Handloom Weavers Cooperative Societies (Cotton, Silk and Wool) availed from APCOB / DCCBs/ NABARD and NCDC.

For verifying the working of Primary Handloom Weavers Coop. Societies and for thorough scrutiny of the claims by District Level Committee under the Chairmanship of the District Collector and approved by the State Level Committee headed by the Director of Handlooms & Textiles, A.P. will be constituted with the following members :

District Level Committee (DLC):

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| 1. District Collector | ... Chairman |
| 2. Chief Executive Officer, DCCB | ... Member |
| 3. Regional Deputy Director (H&T) concerned | ... Member |
| 4. District Cooperative Officer | ... Member |
| 5. Lead Bank Manager | ... Member |
| 6. General Manager Industries | ... Member |
| 7. Deputy General Manager, NABARD | ... Member |
| 8. District Cooperative Audit Officer | ... Member |
| 9. Assistant Director (H&T) | ... Member/convener |

State Level Committee (SLC):

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|---------------------------------------|---------------------|
| 1. Director of Handlooms and Textiles | ... Chairman |
| 2. Additional Director, (H&T) | ... Member/convener |
| 3. Representative of SLBC | ... Member |
| 4. Representative of APCOB | ... Member |
| 5. Representative of NABARD | ... Member |

Objective:

To relieve the Weavers Cooperative Societies from the indebtedness, so as to enable them to obtain fresh working capital from the cooperative financial institutions, banks etc., to provide continuous work to their members.

Eligibility:

Outstanding Cash Credit with interest of working Primary Handloom/Silk/Wool Weavers Cooperative Societies availed from the APCOB / District Coop. Central Banks / NABARD.

All working Primary Handlooms/Silk/Wool Weavers Cooperative Societies availed Margin Money Assistance towards Working Capital from National Cooperative Development Corporation (NCDC).

Mode of Implementation:

- The Assistant Director (H&T) of the District concerned shall prepare the list of eligible working Primary Weavers Coop. Societies (Cotton, Wool, Silk) along with amounts to be waived in consultation with respective DCCBs.
- The scheme shall not be applied to the Societies under Statutory / Vigilance pending enquiries pertaining to misappropriation. These cases will be examined after the enquiries are completed.
- The scheme shall not be applied to the dormant / defunct societies which are beyond the scope of revival.
- The Assistant Director (H&T) shall obtain the details of outstanding Cash Credit account held with the District Cooperative Central Banks (DCCB) concerned and also the details of outstanding principal and interest of NCDC loans of eligible working Primary Weavers Coop. Societies in the District, duly certified by the Staff of the Department and Coop. Auditor concerned.
- The Assistant Director (H&T) has to get the DCB Registers brought up-to-date duly levying interest and to prepare the details of outstanding Cash Credit, NCDC Loans society-wise and loan-wise principal and interest.
- On finalisation of the particulars of outstanding Cash Credit loans and NCDC loans, the Assistant Director (H&T) shall place the proposals of outstanding Cash Credit loans and NCDC Loans of all working Primary Handloom Weavers Coop. Societies to the District Level Committee for verification of eligibility and working status for thorough scrutiny of the claims and recommendation to the State Level Committee (SLC).
- The State Level Committee after scrutiny of the proposals submitted by the District Level Committee will recommend to the Government for sanction of Loan Waiver amount in respect of Cash Credit outstanding.
- Since the Government have already repaid the Loans sanctioned by NCDC (except in case of one society), the Director, Handlooms and Textiles, A.P. shall recommend for passing necessary book entries in the Loan records maintained by the Government (i.e., Finance Department).
- After sanctioning of funds by the Government, the amount shall be drawn by the Department and shall adjust the Cash Credit waiver amount directly to the concerned DCCBs where Cash Credit Accounts of individual societies are maintained.

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- An amount of Rs.21.45 lakhs NCDC outstanding dues pertaining to one Primary Weavers Cooperative Society shall be sanctioned and remitted to NCDC through RTGS.
- On passing necessary entries in the records of the Government, the Government shall issue 'No Dues Certificate" in respect of each NCDC Loan account to the concerned Weavers Coop. Society for making necessary entries in the books of accounts of the societies concerned.
- The Director of Handlooms & Textiles will communicate the details of outstanding Cash Credit loans and NCDC loans waived off to the Assistant Director (H&T) concerned.
- The Assistant Director (H&T) shall communicate the details of waived off outstanding Cash Credit and NCDC loans to the societies concerned to record necessary entries in the books of accounts of the respective societies.
- The Managing Committee of the society shall furnish a certificate to the effect, "that the entries on waiver of outstanding Cash Credit loans / NCDC loans have been recorded in the books of account of the Societies" certified by the Assistant Director (H&T) and Auditor.
- The Assistant Director (H&T) shall furnish a certificate to the effect that, "the process of loan waiver has been effected in the books of accounts of all the beneficiary societies in the District" to the Director of Handlooms & Textiles.

Audit:

- The books of accounts of every lending institution that has granted debt redemption under this scheme (including the books of accounts maintained at the branches) shall be subject to audit in accordance with the standard procedure prescribed by the respective DCCBs / Coop. Audit Dept., in the District.

Fresh Finance:

- The Weavers Coop. Societies whose loans are redeemed under the scheme will be eligible for fresh finance from the DCCBs, provided, the amount waived is equal to the loan outstanding.

**I.SRINIVAS SRINARESH
SECRETARY TO GOVERNMENT**